

Voluntary - Public

Clearance Office: Office of Global Analysis (OGA)

Date: 6/9/2009

GAIN Report Number: TH9089

Thailand

Post: Bangkok

Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

Domestic and export prices continued to increase slightly due to tightening exportable supplies following the ongoing delay in the government stock release and the expansion of the current intervention program target. Last week, the National Rice Policy committee expanded the MY2008/09 intervention target to a record 6.0 million tons of paddy. The Government expects the current intervention program will reach 6.0 million tons by July 31.

General Information:

Indicative Prices (Week Ending Jun. 8):

Thailand: Export (FOB) Prices for various grades of rice (USD/MT)

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR	PRV
F WR 100 B	865	-	860	-	-	855	-	860	860
WR 100 B	570	-	570	-	-	590	595	581	581
PE 5%	585	-	590	-	-	595	600	593	591
WR 5%	550	-	550	-	-	560	580	560	559
WR 10%	545	-	540	-	-	555	-	547	543
WR 15%	500	-	530	-	-	530	-	520	520
WR 25%	455	-	520	-	-	475	-	483	482
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	305	-	320	-	-	320	-	315	325
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 34.0 baht/U.S.\$

Source: Average actual prices received from exporters

Market Tone

Domestic and export prices continued to increase slightly due to tightening exportable supplies following the ongoing delay in the government stock release and the expansion of the current intervention program target. The Government is still reviewing new guidelines for the postponed intervention stock release in which the administration of the tender would be shifted from the Public Warehouse Organization (PWO) to the Department of Foreign Trade under the Ministry of Commerce. Meanwhile, exporters who won the tender last month are facing supply difficulties as stock deliveries from government warehouses were suspended last week. Exporters expect the stock release will be re-tendered or renegotiated by mid-June.

Thus far, the MY 2008/09 second-crop intervention program has almost reached the new target of 4.0 million tons of paddy, valued at 42 billion baht (\$1.2 billion). The National Rice Policy committee agreed last week to expand the target to a record 6.0 million tons of paddy to stabilize farmgate prices, effective this week. Intervention prices remained unchanged at 10,800 – 12,000 baht/ton (\$310-\$345/MT) for white rice. The Government expects the intervention program will reach 6.0 million tons by the end of the program on July 31 as current second-crops production should be better than expected at 8.2 million tons of paddy, as compared to the previous official

forecast of 7.7 million tons. However, the expansion of the current second-crop intervention program remains controversial as the increase reportedly may benefit millers primarily who are reportedly sourcing additional paddy from neighboring countries.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Apr 2	105,037	94,685	1,362	2,489	-45.3
Apr 12	85,157	89,739	1,447	2,657	-45.6
Apr 19	55,543	82,969	1,502	2,736	-45.1
Apr 26	144,559	97,581	1,647	2,906	-43.3
May 3	142,632	106,980	1,789	3,042	-41.2
May 10	130,197	118,240	1,920	3,178	-39.6
May 17	138,960	139,094	2,059	3,363	-38.8
May 24	174,201	146,497	2,233	3,539	-36.9
May 31	132,053	143,853	2,365	3,748	-36.9
Jun 7	134,312	144,811	2,500	3,944	-36.6

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Jun. 1-7, 2009 totaled 134,312 tons, up 2,259 tons from the previous week, and down 10,569 tons from the four-week moving average of 144,811 tons. Exports during Jan. 1 – Jun. 7 totaled 2,499,629 tons, as compared with 3,943,796 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- May 31, 2009, amounted to 3,558,750 tons, down 29.3 percent from 4,683,835 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of May 18-22, May 25-29, and Jun. 1-5, 2009 are

as follows:

Movement (MT)	May 18-22	May 25-29	Jun. 1-5
Weekly sales	157,792	164,776	112,140
4 week sum	561,263	597,634	609,802
4 week mov. avg.	140,316	149,409	152,451
Total weekly sales	2,632,907	2,797,683	2,909,823

End of Report